



1 August 2016

Share Placement Raises approximately \$2.25 million Resource Capital Funds takes Strategic Stake

Hammer Metals Limited ("**Hammer**" or "**the Company**") (ASX: HMX), is pleased to advise that it has finalised terms for a share placement for the issue of new shares to raise approximately \$2.25 million ("**Placement**").

Terms of Share Placement

The placement of approximately 32,200,000 shares at 7 cents per share will be made to sophisticated investors in two tranches, with the first tranche of some 9,000,000 shares to be issued within Hammer's current placement capacity under ASX Listing Rule 7.1.

The second tranche will be completed subject to shareholder approval being received at an upcoming General Meeting to be called in early September.

An Appendix 3B and section 708A notice will be issued in due course.

Use of Funds

The Company will use the net proceeds from this Placement to continue with planned exploration on its 100% owned non-JV tenements in the Mt Isa Mineral Province.

These additional funds will allow Hammer to accelerate concurrent work on copper-gold target generation and drill hole planning, with a focus on continuing drilling at the Company's **Millennium** and **Scalper** projects in the next quarter.

This work will be followed by new field programs including drilling at Hammertime, Kalman West and Kalman South which will provide Hammer with a strong level of news flow over coming months.

Fund Raising

Executive Chairman, Mr Russell Davis, was very pleased to welcome Resource Capital Fund VI L.P. ("**RCF VI**") as a Hammer shareholder. RCF VI will participate in the Placement for an amount of \$1,750,000.

Resource Capital Funds (**RCF**) is a group of commonly managed private equity funds, established in 1998 with a mining sector specific investment mandate spanning all hard mineral commodities and geographic regions. Since inception, RCF has supported 150 mining companies, with projects located in 47 countries and across 29 commodities. The sixth fund, being RCF VI with committed capital of \$2.04 billion, is now being invested. Further information about RCF can be found on its website (www.resourcecapitalfunds.com).

RCF has a strong team of investment professionals, with wide ranging industry and technical expertise and a demonstrated history of investments in mining globally. RCF's track record is based on its ability to pick technically and commercially compelling assets and support management to achieve desired



outcomes, whilst remaining throughout a source of patient capital. RCF aims to partner with companies to build strong, successful and sustainable businesses and in doing so strives to earn superior returns for all shareholders.

Hammer's corporate advisor Argonaut has again supported the Company and assisted in raising the balance of the Placement.

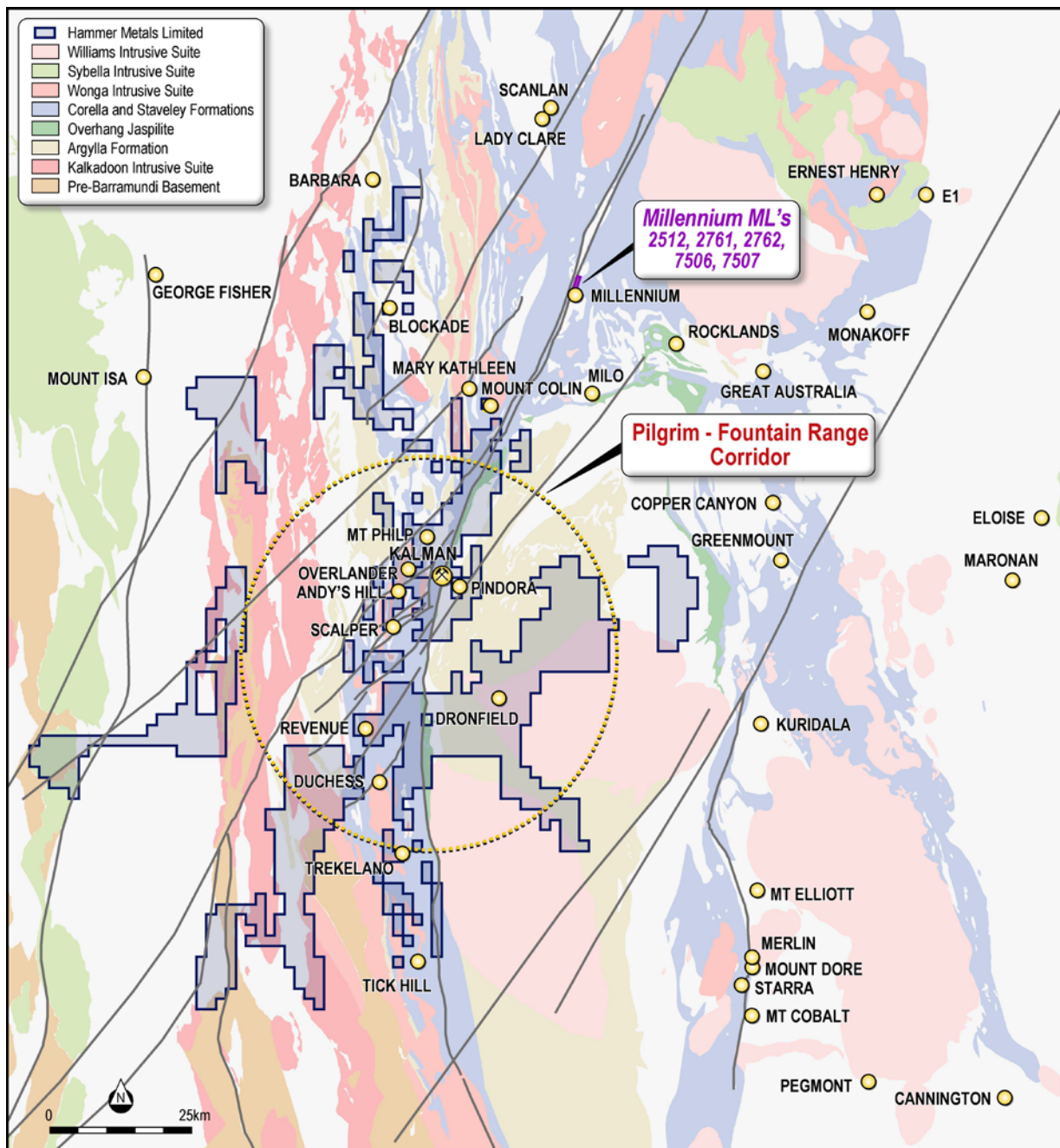
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For further information, please contact:

Alex Hewlett | Executive Director

or visit our website www.hammermetals.com.au

Hammer Metals Limited (ASX:HMX), is an advanced exploration company with a major land position (2600km²) in the Mount Isa Mineral Province in NW Queensland. The tenement package is sandwiched between several large resource houses including Glencore, BHP and Chinova. Hammer is focused on developing base and precious metal resources in the district through well-targeted exploration and project acquisition activities.



Mount Isa Project